

1     **VIRGINIA TOBACCO INDEMNIFICATION AND COMMUNITY**  
2                     **REVITALIZATION COMMISSION**

3                     701 East Franklin Street, Suite 501  
4                     Richmond, Virginia 23219

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9                     Agribusiness Committee Meeting  
10                    Tuesday, December 11, 2012  
11                               1:00 p.m.

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13                    Hotel Roanoke & Conference Center  
14                               Roanoke, Virginia

1    **APPEARANCES**

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3    The Honorable Joseph P. Johnson, Jr., Chairman

4    Mr. Kenney F. Barnard

5    Ms. Gayle F. Bartz

6    Mr. David R. Cundiff

7    Mr. Travis Hill

8    Mr. Robert Spiers

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11   **COMMISSION STAFF**

12   Mr. Neal Noyes, Executive Director

13   Mr. Ned Stephenson, Deputy Executive Director

14   Mr. Timothy J. Pfohl, Grants Program Director

15   Ms. Sarah Capps, Grants Program Administrator,

16        Southside, Virginia

17   Sara Williams, Grants Program Administrator,

18        Southwest, Virginia

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1 December 11, 2011

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4 DELEGATE JOHNSON: Ladies and gentlemen,  
5 it appears we will not be able to have a quorum here this  
6 afternoon, therefore anything that this Committee does this  
7 afternoon is not binding upon the full Commission and would  
8 have no legal impact at all. What I would like to suggest is  
9 that we go down the applications and the summaries and the  
10 staff recommendations. Anyone that wants to be heard, we'll  
11 hear your comments and then in January when we have our  
12 subcommittee meeting in Richmond, we will recommend what  
13 the staff has recommended on the spreadsheet. Now, if there's  
14 anyone that wants to appear in Richmond and present their  
15 case they will have that opportunity and they'll be notified they  
16 can come to Richmond. We cannot make any official findings  
17 today. We cannot make any official report today, however, it is  
18 the consensus of the members here this afternoon of the  
19 Committee that we will recommend to the full Commission and  
20 from the full Agribusiness Committee that we adopt the staff's  
21 summaries and staff recommendations that is on the agenda  
22 and if that passes, then it will be presented to the full  
23 Commission.

24 That's about the best we can do at this stage  
25 because without a quorum, we cannot have a binding vote but

1 we will listen to anyone that does not want to come to  
2 Richmond. It is a consensus that what will be offered by the  
3 Agribusiness Committee to the full Commission is the printout  
4 that we have here today and I'm sure all of you either have a  
5 copy or you can get a copy. Have I stated it correctly?

6 MR. NOYES: Yes, sir.

7 DELEGATE JOHNSON: Members of the  
8 Committee that are here, do you have any questions about  
9 that? All right, let's call the roll for those that are here.

10 MR. NOYES: Yes, sir, Mr. Chairman. Mr.  
11 Barnard?

12 MR. BARNARD: Here.

13 MR. NOYES: Ms. Bartz?

14 MS. BARTZ: Here.

15 MR. NOYES: Mr. Cundiff?

16 MR. CUNDIFF: Here.

17 MR. NOYES: Deputy Secretary Hill.

18 DEPUTY SECRETARY HILL: Here.

19 MR. NOYES: Delegate Johnson.

20 DELEGATE JOHNSON: Here.

21 MR. NOYES: Delegate Merricks?

22 DELEGATE MERRICKS: (No response).

23 MR. NOYES: Mr. Montgomery is not here, Mr.  
24 Reynolds is not here, Mr. Spiers?

25 MR. SPIERS: Here.

1 MR. NOYES: Mr. Stallard?

2 MR. STALLARD: (No response).

3 MR. NOYES: Senator Stanley?

4 SENATOR STANLEY: (No response).

5 MR. NOYES: Delegate Wright will not be able  
6 to join us today. We do not have a quorum Mr. Chairman.

7 DELEGATE JOHNSON: The roll call has been  
8 made and there's not a quorum present so we cannot conduct  
9 official Committee business. I appreciate those of you that are  
10 here today and it's unfortunate we don't have a quorum. I  
11 apologize to those of you that have made the trip up here to  
12 present their case. Prior to today it was believed that there  
13 would be a sufficient membership here to conduct the  
14 business of the Committee otherwise we wouldn't be here. I'm  
15 disappointed that some people are not here that should be  
16 here. I'm sure they have good reasons not to be here. I hope  
17 you folks in the audience understand the predicament that  
18 we're in.

19 The full Agribusiness Committee will be  
20 January 8<sup>th</sup> early, ahead of the full Commission in order to  
21 take official action on our agenda.

22 MR. NOYES: Mr. Chairman, we will advise the  
23 Committee, we may be able to do it on the 7<sup>th</sup> otherwise it will  
24 have to be ahead of the full Board.

25 DELEGATE JOHNSON: So that's where we are

1 today. The roll call has been called and we'll have a  
2 consensus of those that are present today. Let's call the roll  
3 again as a consensus, this is not an official vote and a  
4 consensus of those that are here what we'll recommend to the  
5 full Committee.

6 MR. NOYES: You're asking for a consensus of  
7 what the Committee will be recommending when it meets in  
8 January based on the staff's recommendations.

9 DELEGATE JOHNSON: Let me make it clear.  
10 If there's any member of the Committee that does not agree  
11 with something on this, we want it to be known today. If you  
12 agree this is our consensus then this is what's going to be  
13 presented to the full Agribusiness Committee then it will be up  
14 to the full Committee whether or not to approve or disapprove.  
15 If it's approved then the full Commission will be requested to  
16 adopt the recommendations.

17 MR. SPIERS: Just a question Mr. Chairman.  
18 The written material, I understand the recommendation. Will  
19 we discuss any of these or hear any of the comments before we  
20 take a consensus vote?

21 DELEGATE JOHNSON: Sure.

22 MR. NOYES: The Committee members, of  
23 course, vote on the proposition this will be done by consensus.  
24 Mr. Bernard?

25 MR. BARNARD: I recommend approval.

1 MR. NOYES: Ms. Bartz?

2 MS. BARTZ: Approval.

3 MR. NOYES: Mr. Cundiff?

4 MR. CUNDIFF: Approved.

5 MR. NOYES: Deputy Secretary Hill.

6 DEPUTY SECRETARY HILL: Aye.

7 MR. NOYES: Delegate Johnson.

8 DELEGATE JOHNSON: Aye.

9 MR. NOYES: Mr. Spiers?

10 MR. SPIERS: Aye.

11 DELEGATE JOHNSON: Now, Mr. Pfohl if you  
12 would briefly go through what has been recommended and if  
13 there's anyone in the audience that has a disagreement or  
14 comment if you will just come to the podium and let it be  
15 known and it will be recorded.

16 MR. PFOHL: Thank you Mr. Chairman. This  
17 is the annual Agribusiness cycle for fiscal year 2013 and we  
18 received 16 proposals in mid October. We have one proposal  
19 that was tabled in your committee last year and one that was  
20 recommended for funding by your committee but was tabled in  
21 the Commission meeting in January of last year. I say that  
22 because you currently have an available balance of about \$2.7  
23 million. Seven hundred thousand (\$700,000) of that amount  
24 has already been recommended for that Russell County  
25 Livestock project and was tabled at the Commission meeting

1 in January. You have an effective balance of \$2 million  
2 roughly for the other 17 proposals.

3 Very quickly we recommended funding full or  
4 partial funding for 8 of the proposals and we're recommending  
5 tabling three proposals that's still need some due diligence  
6 performed on their projects.

7 Eight (8) recommended for funding, the  
8 Abingdon Feeder Cattle Association is requesting \$900,000 for  
9 a beef builder initiative. The staff is recommending \$400,000  
10 only for those producers who have not previously received beef  
11 cattle cost sharing incentives from the Commission. I say that  
12 specifically because the applicants are hoping that you will  
13 grant them relief from that condition so producers that may  
14 have received cost share incentives 5, 6 or 7 years ago, could  
15 come back for a different practice. Specifically if they had  
16 some help buying a bull previously and now they want scales  
17 or cattle handling facilities. Those folks assisting in the past  
18 would have the ability to come back and apply for a different  
19 one of the eligible practices or a different run at the eligible  
20 practices. That serves 12 counties in Southwest Virginia.

21 Next one recommended for funding is  
22 Buckingham Cattlemen's Association. Their B.A.R.N. project  
23 and this is to construct a new facility in Buckingham. There's  
24 120 producers in 16 counties that are members of the  
25 Buckingham Cattle Association. Ten of those counties are



1 tobacco region localities. They're hoping to establish a facility  
2 that would have indoor meeting space for Ag training events as  
3 well as an outdoor show arena covered events where they  
4 could do livestock auctions. They do have strong support from  
5 the Lynchburg Livestock Market, a private operation that  
6 currently is the destination of a lot of beef cattle producers.  
7 They have an agreement in principal with Lynchburg Livestock  
8 Market to be the custodian, conduct the sales at the B.A.R.N.  
9 project. The staff is recommending a full award of \$550, 310  
10 for that facility.

11                               Jumping over to page 6 and 7, that's the  
12 Dickenson County IDA application for Coalfield Regional  
13 Agriculture Center requesting \$52,195. Those of you that  
14 have been with the Committee for a number of years, you  
15 remember we did a couple of small grants to help establish  
16 this facility. They got the facility built with just a \$183,000  
17 from us and very well leveraged and we donated materials and  
18 labor. They're now asking for \$52,195 to buy some equipment  
19 like a tractor, a no till drill that would be made available on a  
20 rental basis and the farmers could come in and plant crops  
21 on, in a lot of cases, on land that has been surface mined.  
22 There's some other equipment that they are requesting  
23 assistance with purchasing. Staff is recommending a full  
24 award of \$52,195.

25                               The next project recommended for funding is

1 Ferrum College's Local Food Initiative Demonstration Project  
2 requesting \$89,804 to purchase a flash freezer and to build a  
3 400 square foot freezer at the college. Right now Ferrum is  
4 buying about 30 percent of their food for dining services from  
5 local producers in several surrounding counties but they hope  
6 to bump that up to 50 percent of their food purchasing but  
7 they need some freezer capabilities so they could buy product  
8 in the growing season and freeze it and make it available  
9 throughout the year. The staff is recommending and we think  
10 we have the college's agreement to split that on a 50/50 basis  
11 so our recommendation is \$49,402 for half of the project cost.  
12 We're suggesting they approach VDACS' new aid program  
13 perhaps USDA rural development for the other half.

14                   The next project recommended is County of  
15 Franklin Homestead Creamery-Burnt Chimney Water  
16 Extension requesting \$250,000. That would extend about 5 or  
17 6 miles of water line. The Homestead Creamery Project is  
18 currently producing product and selling it through Kroger  
19 chains across Virginia. As I told Mr. Cundiff, I had Homestead  
20 Creamery milk in my coffee today. They want to expand but  
21 it's going to require construction of this 12 inch water line.  
22 The company said it will add 20 jobs, \$1.1 million in facilities  
23 and equipment. The staff has received information from the  
24 company that 40 of the 45 farms that they buy product from  
25 are located in the tobacco region so that's very much the

1 justification for that being in the Agribusiness Program this  
2 year. Homestead is estimating they'll use 60 percent of the  
3 water in the line and increase annual spending in the tobacco  
4 footprint by a quarter million dollars a year. The staff is  
5 recommending \$250,000 for final engineering, permitting and  
6 building and other preconstruction expenses as opposed to the  
7 \$250,000 request for construction and applications. Staff got  
8 the concurrence from the county that we assist in final  
9 engineering and other preconstruction costs to keep the  
10 project moving on a faster timeline.

11 DELEGATE JOHNSON: Question.

12 MR. NOYES: Thank you Mr. Chairman. Mr.  
13 Stephenson have we been approached for TROF consideration  
14 on this project, have we?

15 MR. STEPHENSON: We have not.

16 MR. NOYES: Mr. Cundiff, do you think that's  
17 an option that you might want to mention to the appropriate  
18 officials? All right.

19 MR. PFOHL: The next project is Old Dominion  
20 Research Conservation and Development Council requesting  
21 \$29,410 for the Heart of Virginia Buy Local Initiative. This is  
22 an effort that has been occurring for the last year or more with  
23 producers super surveys, public meetings and so forth  
24 strongly supported by several state organizations including  
25 Farm Bureau, VDACS, Cooperative Extension and that is the

1 establish the local food marketing initiative in 10 Southside  
2 tobacco region counties probably being asked to produce food  
3 guides over a two year period. Staff is recommending the full  
4 amount of \$29,410 for that project.

5                   The next one for funding is Virginia State  
6 University both recommended for the full award; both are  
7 Phase II requests to build out previous Agribusiness requests  
8 or grants; one for the EDAMAME project, soybean seeking  
9 \$163,003. They're adding 20 new farmers and that project  
10 will serve as a match for a multi-university consortium grant  
11 from the federal government that's hoping to obtain \$600,000  
12 for Virginia State to expand this project in the mid Atlantic.

13                   The second Virginia State University proposal  
14 is for Chickpea and Sesame and this is the Phase I grant  
15 which was primarily focused on Canola as a bio-fuel feedstock.  
16 This request now for Phase II is very squarely centered on  
17 Chickpeas and Sesame as the principal ingredients in  
18 Hummus and being produced in Chesterfield County, a joint  
19 venture with an Israeli company, PepsiCo. There's a \$28  
20 million expansion that's been announced and provided a letter  
21 that's highly supportive of the project and they're looking for  
22 10s of thousands of acres for Chickpea and Sesame to be  
23 produced in Virginia. They're currently buying from Canada  
24 and Mexico. This request will test several Chickpea and  
25 Sesame varieties both summer and winter crops and assess

1 their viability in Virginia. A sub element of this request,  
2 Virginia State's asking that the \$53,000 from the Phase I grant  
3 be repurposes to the research budget for this one and the staff  
4 supports that. The staff supports both aspects of that funding  
5 of the request of \$185,000 and repurposing the \$53,000 from  
6 Phase I grant number 1982.

7 We have the three tabled proposals. I'll be  
8 happy to speak to Delegate Johnson.

9 DELEGATE JOHNSON: Yes, if you would  
10 please explain about the tabling.

11 MR. PFOHL: The first project that we're  
12 recommending for tabling is the Lunenburg County proposal.  
13 Lunenburg County IDA is making a request on behalf of a  
14 private company named Home Grown Virginia, LLC. It's a  
15 business that has been currently operating in some capacity  
16 in Prince Edward County and is now looking at a site in  
17 Lunenburg or actually looking at three sites in Lunenburg to  
18 establish a co-packaging service that would primarily take the  
19 24 to 40 percent of crops that doesn't pass muster for sale as  
20 fresh product and would be left in the field perhaps to rot and  
21 they want to bring them in and process them and value added  
22 products. If you have blemishes and so forth and these would  
23 be like tomatoes and berries that would be processed into  
24 spaghetti sauces, jams and so forth. The county has asked  
25 the company to produce a business plan and the company is

1 currently working with a small business development center to  
2 do that. I also mentioned there were three sites under  
3 consideration and one of them has fixed assets, range hoods  
4 and some equipment that would reduce the amount of this  
5 request. Staff is suggesting this be tabled to enable the  
6 company to complete their business plan and make a final site  
7 selection within the county.

8                   The next one recommended for tabling is  
9 Prince Edward County Regional Food Enterprise Center  
10 requesting \$825,000. This is to build a 3,600 square foot  
11 addition to the Prince Edward Cannery that your committee  
12 has previously supported with a grant a couple of years ago of  
13 \$350,000. This would separate out and provide new spaces  
14 for the Virginia Aquaculture Network and Home Grown  
15 Virginia and other companies that want to do commercial  
16 processing of food as opposed to the home canning that has  
17 been conducted at the cannery for decades. It has serious  
18 implications for state and federal permitting for the sale of  
19 foods within Virginia and outside of Virginia. The staff has  
20 some concerns that the Prince Edward Cannery is currently  
21 on septic and well water would be able to accommodate this  
22 addition. One of the first steps in the project they have to  
23 assess if they can find another spot to relocate septic fields  
24 and if they can drill another successful well on the property.

25                   We felt like before we went down that path,

1 approving a grant to improve the Prince Edward Cannery,  
2 there needed to be some due diligence performed. As recently  
3 as yesterday, I received a call from the Prince Edward County  
4 administrator indicating he has told his Board of Supervisors  
5 and this is a non-binding decision, but the Board is willing to  
6 provide a site within Prince Edward County Industrial Park  
7 that would be on public water and sewer for a potential to  
8 locate the new facility that could be built in state of the art  
9 brand new meet all FDA and VDACS requirements. The staff  
10 is recommending the request be tabled to allow the county to  
11 perform some due diligence and come back with some options  
12 for new construction versus an addition.

13                   The final project recommended for tabling is  
14 the Scott Farmer's Cooperative requesting \$782,575 for three  
15 component projects. One is to establish a bulk feed  
16 distribution facility. The second piece is a bulk fertilizer  
17 operation and the third is a tool and rental equipment  
18 program. Your committee assisted Scott Farmers Cooperative  
19 with a \$250,000 grant nearly three years ago to establish the  
20 bulk livestock feed component. They ran into some problems  
21 and wanted to establish that in a new location so they're  
22 building a new retail store and they were denied rezoning but  
23 they're proposing to go back to their original location Gate City  
24 and add these three components to that site. The staff did  
25 advance \$70,765 to that \$250,000 grant. We're working with

1 the Farmer's Cooperative to get a full accounting of how those  
2 funds have been used. The cooperative is also pursuing long  
3 term financing for their operational funding that will serve as a  
4 match to this request. Staff is suggesting this one be tabled  
5 until issues of the use of the advance are fully accounted for  
6 and the situation with long term financing can be secured  
7 from the cooperative. I believe we have some representatives  
8 here.

9 DELEGATE JOHNSON: Do we have anyone  
10 here on the 2629 for Lunenburg County that would like to  
11 speak on the project that is tabled?

12 MR. PFOHL: Mr. Chairman, the County  
13 Economic Development Director is under the weather today  
14 and was hoping to be here. She said she might not be able to  
15 be here.

16 DELEGATE JOHNSON: 2613, Prince Edward  
17 County.

18 MR. BLACKWOOD: My name is Lynn  
19 Blackwood. We appreciate the opportunity to briefly talk  
20 about this Prince Edward project. I know Alisa Johnson who  
21 also works with Prince Edward County could not be here  
22 today, she has a death in the family and that has kept her  
23 away. Just very briefly, I will say the importance that we see  
24 being able to bring into Prince Edward County this food or this  
25 regional food enterprise center and this would combine a



1 commercial kitchen that would be under Dr. Kuhn's  
2 supervision, a food science professor at Virginia Tech. It  
3 would create an FDA approved processing center. The  
4 importance of being FDA approved would be that the  
5 aquaculture products not only expand the network but also  
6 the Virginia Covia Farms and we have some other agriculture  
7 producers that would be interested in possibly using this  
8 facility. Also fruits and vegetables would be processed in this  
9 commercial kitchen. FDA approval would allow us to ship  
10 beyond the state lines and that will open up more markets for  
11 us that we cannot have access to right now. We're VDACS  
12 approved and state approved but we're not able to cross state  
13 lines without FDA. We're processing catfish and rainbow trout  
14 and striped bass and in the future we could bring those in  
15 along with shrimp. We're freezing those and holding those in  
16 cold storage and we're basically marketing those to  
17 Charlottesville, Appomattox, Lynchburg and some in  
18 Brandermill. This will allow us to cross state lines. The other  
19 advantage of having a commercial kitchen on site that we can  
20 take fresh and frozen products and create new recipes and  
21 new packaging systems which would allow us to get into many  
22 other markets. That marketing pathway would be substantial  
23 and that would demand greater production and with greater  
24 production we'll bring in more farmers, especially those that  
25 are leaving tobacco production and bring them in and we

1 would have secured markets for their products. That's a new  
2 ballgame and would bring in a lot more production,  
3 opportunities for Southside Virginia and that's why we see it  
4 as being very critical.

5 DELEGATE JOHNSON: Thank you.

6 MR. BLACKWOOD: Thank you sir.

7 DELEGATE JOHNSON: 2615. All right.

8 Anyone here on 2618.

9 MS. TERRY: I'm Katherine Terry for the  
10 Appalachia Sustainable Development.

11 MR. COSTELLO: I'm Kevin Costello, Town of  
12 Abingdon.

13 MS. TERRY: First of all I want to thank you  
14 and I know we have applied for a lot of funds and we really  
15 appreciate the opportunity and you take time to listen to us  
16 and we'll try to be really brief today. I understand the staff  
17 has worked really hard to come up with the recommendations  
18 and respect the fact that the distribution model is not  
19 necessarily mature enough for approved funding at this time.  
20 What we wanted to do is see if it's possible to separate the two  
21 aspects of this project. Just wanted to take two minutes to  
22 explain the different aspects of these projects.

23 The primary goal is to raise demand for  
24 farmers in Southwest Virginia for their products. Whatever it  
25 is, the idea is we're not wanting to or if you look at the model,

1 the idea is we're not wanting to become Asheville in Southwest  
2 Virginia but when you look at the model of that city and how  
3 many farmers and producers, that's an example of what we're  
4 trying to create in Southwest Virginia. What we've identified  
5 through our work with these farmers that smaller farmers  
6 really need access to markets that are smaller and more  
7 appropriate for their size; higher margin and lower volume.  
8 That's restaurants and small retailers type of markets. In our  
9 area there are pockets of those markets that are actually doing  
10 pretty well. Abingdon is one example. The farther you get  
11 away from Abingdon the more diluted that is. The purpose of  
12 this project is to raise that awareness for consumers and get  
13 people excited about supporting their local farmers and then  
14 to connect those farmers with those opportunities. We've  
15 actually started a project called Roots in Appalachia and we're  
16 talking about early September. We had two different events  
17 that were sold out and we had great press over this project  
18 and we want to make sure we keep the momentum going. The  
19 distribution aspect of this is the second barrier that we know  
20 we will encounter because in our discussions with  
21 restaurants they have said we'd order more from local farmers  
22 if we didn't have to go get it or go to the farmer's market to get  
23 it. That is, we know the next barrier after we have addressed  
24 everything else.

25 To give you an example of what we'll be doing,

1 one barrier we know that producers experience is if you look at  
2 beef cattle production, a lot of times they can sell all of their  
3 different cuts of meat to restaurants or the high end meats to  
4 restaurants and then the hamburger goes bad. If we can get  
5 more local restaurants looking for not just the high end ones  
6 but all of them then we can get the hamburger moved. Those  
7 are the kind of things we're going to be working on.

8                   So what we're asking and I understand you  
9 can't make any decisions today, but we'd ask you to consider  
10 and this was a two year proposal and maybe consider one year  
11 and not funding any of the distribution aspects of this and we  
12 can present that at a future point. But the main thing is to  
13 help us keep the momentum going that we have in the region.  
14 We're beginning in Abingdon but it's not our plan to stay  
15 there. Our plan is to use those towns as models and spread  
16 out in the rest of the region.

17                   DELEGATE JOHNSON: Are there any  
18 questions?

19                   MR. NOYES: Mr. Pfohl, the staff  
20 recommendations or previous awards, my recollection is that  
21 there was some difficulties at some point, what were the  
22 outcomes of our previous investments in terms of equipment  
23 and things? Would you refresh my memory?

24                   MR. PFOHL: The Commission has provided  
25 grants, about \$1.3 million to date to help ASD establish their

1 Appalachian Harvest organic fruits and vegetables piece as  
2 well as the sustainable woods program that was in  
3 Castlewood. The sustainable woods operation that ultimately  
4 had to shut down, Katherine can speak to that better than I  
5 can about the outcome.

6 MS. TERRY: Appalachian Harvest is still alive  
7 and well. Sales this year so far are about \$1.2 million. We're  
8 working with organic and conventional producers in the  
9 region. Sustainable Woods ended up having to close up and  
10 our work now has taken on a different aspect with less  
11 infrastructure and more connecting existing wood product  
12 producers with markets. We have a business and we are  
13 getting ready to open that and run it in conjunction with two  
14 other non-profits; one in Ohio and one in Kentucky. We're  
15 using a lot of lessons that were learned through sustainable  
16 wood.

17 DELEGATE JOHNSON: Any other questions?  
18 Thank you.

19 UNIDENTIFIED: I represent the Town of  
20 Abingdon, part of Southwest Virginia Agriculture Heritage  
21 Foundation. As Todd Christianson said, there are three legs to  
22 Southwest Virginia, its crafts, its music and outdoor  
23 recreation. I would venture to say there's a fourth; I would  
24 beg to differ there's a four legged stool and Agritourism is the  
25 fourth leg and especially our rooted Appalachian programs.

1 We'd like to come back and try to get some funds and work in  
2 conjunction with the Southwest Virginia Cultural Heritage  
3 Foundation.

4 DELEGATE JOHNSON: Thank you sir. The  
5 next is the Town of Chilhowie, 2619. Next is the Town of  
6 Coburn 2610. Next is the Town of Glade Springs, 2609. Yes,  
7 sir, come up and give us your name.

8 MR. COBURN: My name is Lee Coburn. I'm  
9 the Mayor of Glade Springs and with me is the Vice Mayor,  
10 Nancy Williams. I want to thank you for letting us speak  
11 today. I'm going to talk a little bit about where Glade Springs  
12 is and in the context of where this project fits in and I'll let  
13 Nancy speak to the project. In 2004 I moved to the region and  
14 in 2005 finished a construction project, I finished a  
15 construction project and moved to the town. By 2006 I  
16 learned to love that community. The Town has plans to where  
17 we would bulldoze the Town Square and on track to be turned  
18 over to the county. At that point I decided to run for council  
19 and I had this dream to turn the town around because I  
20 thought it was viable and sustainable. In 2006 there were two  
21 businesses in the Town Square. Today there are 7. We have a  
22 new library facility, a head start program and we've increased  
23 the jobs there by 20 or so. Just recently last year the Tobacco  
24 Commission funded a project for the Artisan Center and it's in  
25 the core district. That facility with some other efforts we're

1 going to try to make happen with VAC grants and we've got a  
2 historic designation. We're also trying very hard to bring in  
3 some private investment. All that's underway but recently and  
4 one of the key things is the tobacco commission granting that  
5 money for the Artisan Center. Glade Springs is committed to  
6 creating and keeping the economy going and I know you guys  
7 are behind us on that. Since then we've had two private  
8 investors invest in three buildings and the Artisan Center has  
9 really created an impact for jobs in that core district. With all  
10 that being said, I think it speaks to the efforts we're making  
11 here and we are making progress. I want you to understand  
12 that 50 years prior to that, the mid 60s, about 2005 we took  
13 this over and it was really about, I would describe Glade  
14 Springs as like we're fighting a prize fight and I'm pretty sure  
15 the ref would have called it off and said no more of this, we  
16 can't do this anymore and we've tried to turn this thing  
17 around. In addition to that, in 2007 we had the recession and  
18 just recently in 2011 we had our worst disaster the Town has  
19 ever had and folks suffered from the tornado and we're trying  
20 not to put those things in front of us and we're going to  
21 continue making progress. I stand here not just as the guy  
22 that had his dream moved around but I stand here as the  
23 Mayor of that community and all this has happened, not just  
24 from my effort but from the community as a whole. On behalf  
25 of the Town, I would like to ask that you consider moving this

1 project from its status from not being tabled. I believe there's  
2 some issues with getting some plans together and some  
3 funding finalized and if that's possible, this community could  
4 be really great.

5 DELEGATE JOHNSON: Are there any  
6 questions?

7 MS. WILLIAMS: I just want to emphasize that  
8 tomorrow we'll have a great deal of information available and  
9 viable to this application. We will have some reports and we'll  
10 present to the meeting tomorrow. We have the VHCD report.  
11 I'd ask this particular application be tabled rather than  
12 rescinded.

13 DELEGATE JOHNSON: Are there any  
14 question?

15 MR. NOYES: Mr. Chairman, thank you. It  
16 seems to me the financing for the larger efforts are not in  
17 place. What is your timeframe for having the non-Commission  
18 funds committed and available for, putting it on the table and  
19 then having it wait for a decision on funding is, that's certainly  
20 something the Committee can decide to do but it's not going to  
21 change anything.

22 MR. COBURN: I know we're pursuing other  
23 options. I'm not aware of where they are at the moment but  
24 we're certainly looking at funding.

25 DELEGATE JOHNSON: I can state that from



1 personal knowledge of Glade Springs that just recently you  
2 had a ribbon cutting and the money that we provided to them  
3 on a past occasions has been wisely used. The Town of Glade  
4 Springs, I know all of you remember was involved in the  
5 tornado and people were killed and property was destroyed  
6 and they've had a hard time but I'm telling you that they have  
7 done wonders with what they had. We have granted them  
8 funds to restore the Town, the library and other buildings just  
9 fantastic what they have done. If there's anyway that we can  
10 come up with some money, if this could be tabled so that they  
11 could come up with, to answer some of these questions  
12 because they deserve it, they really deserve it and they have  
13 done wonders with what they have and with what money we  
14 granted them before and they've used it wisely. There's no  
15 greater need in the state than what they're requesting it for.

16 MS. WILLIAMS: I'd like to also say that the  
17 community is an agriculture community and when tobacco  
18 was taken from our community, it had an enormous economic  
19 impact. Our farmers are trying desperately to find alternative  
20 ways of making ends meet and they will never make the kind  
21 of money that they made from tobacco but they're certainly  
22 trying.

23 DELEGATE JOHNSON: Thank you, any  
24 questions. All right. Thank you all. The next one is 2611,  
25 Public Policy Virginia.

1                   MR. COLLINS: My name is Michael Collins  
2   and this is Carl, we're here with what used to be Public Policy  
3   Virginia. I believe last year you all granted to them a proposal  
4   to design for a biomass system for Charlotte County. They ran  
5   the numbers on that and found that it was viable and feasible  
6   to construct the system for the county. Then just a few  
7   months ago we resubmitted the proposal and this time as a  
8   pilot project. We provided to you a \$500,000 commitment  
9   from a partner that will bring polatized equipment into the  
10   county. We're asking for our funds to be used to build a  
11   warehouse and also to construct a pilot blower system and  
12   that will help the farmers. Then provide heat as well as  
13   electricity to the Charlotte County Courthouse area.

14                  DELEGATE JOHNSON: Thank you sir. Any  
15   questions. All right. 2462 is tabled. 2475 is no longer in this  
16   Committee so there's nothing we can do with that.

17                  Now, the proposals that have been presented,  
18   does any Committee member have any questions about  
19   anything we've done this afternoon? I skipped over the  
20   approval of the 12-6-11 minutes. We can't approve it because  
21   we don't have a quorum. That item will have to be on the  
22   agenda when we meet again. We certainly want to do that.

23                  MR. NOYES: Yes, sir.

24                  DELEGATE JOHNSON: The next Committee  
25   meeting.

1 MR. NOYES: I'll be in touch with you very  
2 quickly as to the time and place.

3 DELEGATE JOHNSON: We're down to public  
4 comments. Do we have anybody from the public that wishes  
5 to speak, please feel free to come forward and state your  
6 name? If not, does any member of the Committee have any  
7 questions or want to bring up anything.

8 MR. SPIERS: Under the discussion of the  
9 Town of Glade Springs asking them to table that, the staff  
10 mentioned some comments about the timeframe. Is there any  
11 need to come to a consensus on whether that should be  
12 brought forward and is there a consensus to table that?

13 DELEGATE JOHNSON: I would entertain that  
14 motion.

15 MR. NOYES: You won't be able to adopt a  
16 motion today without a quorum. We have acknowledged that  
17 there is consensus that the staff recommendations as they are  
18 presented will be addressed by the full Committee ahead of  
19 our January full Board meeting. If at that time there is a  
20 motion to alter the staff recommendation, alter that  
21 recommendation, perhaps that's the best way to accommodate  
22 the Town of Glade Springs request.

23 DELEGATE JOHNSON: I was going to suggest  
24 that we have our Committee meeting in January then we can  
25 have a motion to table it, if the full Agribusiness Committee

1 tables it, then we can present it to the full Commission.

2 MR. NOYES: The staff is recommending  
3 Monday, January 7<sup>th</sup> at 11:00 a.m. at the Hilton on Broad  
4 Street, 5<sup>th</sup> and Broad. The subcommittee can meet and make  
5 its official decision so we can recommend to the full Board.

6 DELEGATE JOHNSON: Those of you in the  
7 audience that would like to be present in Richmond on  
8 January 7<sup>th</sup> at 11:00 a.m. at the Hilton Garden Inn it's 5<sup>th</sup> and  
9 Broad Street and then you'd have an opportunity to be present  
10 and make a statement or comment if you wish.

11 MR. PFOHL: Mr. Chairman, the staff always  
12 sends email notices to all the applicants, we'll get that out.

13 DELEGATE JOHNSON: There are no  
14 comments apparently but I do want to impress upon anyone  
15 what we have done today is nothing more than heard your  
16 story and the presentation of the Agribusiness and the staff  
17 recommendations. It is the consensus of those members  
18 present here today that we will recommend to the full  
19 Committee that is legally constituted to adopt whatever report  
20 we have on January 7, 2013 at 11:00 o'clock. Any questions?  
21 Again, we apologize to those of you that have driven a long way  
22 to be here and it's just one of those things that we can't avoid.  
23 I do appreciate Stacy what you do and try to get everybody  
24 here and I know it's a difficult chore and you have a hard time  
25 and I really appreciate what you do for us trying to make sure

1 that everybody's here. I also want to thank the staff for what  
2 they do. All right. We'll see you all then on the 7<sup>th</sup>. If there's  
3 no further business, then we will be adjourned.

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5 PROCEEDINGS CONCLUDED

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the court reporter who took down and transcribed the proceedings of the VIRGINIA TOBACCO INDEMNIFICATION AND COMMUNITY REVITALIZATION COMMISSION, Agribusiness Committee Meeting when held on Tuesday, December 11, 2012, at 1:00 p.m. at the Hotel Roanoke & Conference Center in Roanoke, Virginia.

I further certify this is a true and accurate transcript to the best of my ability to hear and understand the proceedings.

Given under my hand this 21<sup>st</sup> day of December, 2012.

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Medford W. Howard

Registered Professional Reporter

Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2014

CERTIFICATE NUMBER: 224566